

**SEND TECHNOLOGIES, LLC**

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**FAX COVER**

**TO:** Administrator – SLD Letter of Appeal

**FAX NUMBER:** 973-599-6542

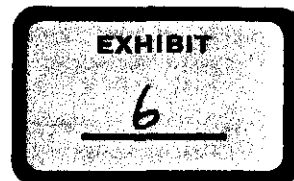
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**DATE:** April 1, 2003

**PAGES:** 14 Pages Letter of Appeal  
+24 Pages Attachments of Letter of Appeal  
+ 1 Page Cover Sheet  
=39 Pages Total

**NOTES:**



# SEND

## TECHNOLOGIES, L.L.C.

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### LETTER OF APPEAL

April 1, 2003

**Via Facsimile (973) 599-6542**

Letter of Appeal  
Schools and Libraries Division  
Box 125-Correspondence Unit  
80 South Jefferson Road  
Whippany, NJ 07981

Dear Administrator:

Please consider this letter and Exhibits as the consolidated Appeal of Send Technologies, LLC ("Send") relating to five Commitment Adjustment Letters ("CALs") (*Exhibits 1 – 5*) issued on January 31, 2003, by the Schools and Libraries Division of the Universal Service Administrative Company ("SLD"). This Appeal is consolidated because the stated basis of adjustment in each CAL is identical:

After thorough investigation, it has been determined that Tom Snell is associated with Send Technology, LLC, a service provider. Tom Snell is also the contact person on the Form 470 . . . that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.<sup>1</sup>

**A. The Commitment Adjustment Letters:** Each CAL, issued on January 31, 2003, relates to applicant Union Parish School Board ("Union Parish").<sup>2</sup> Additional detail about the SLD actions that are the subject of this consolidated Appeal follow:

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<sup>1</sup> CALs at 4.

<sup>2</sup> Send is filing this consolidated Appeal with respect to the five CALs consistent with the advice of the SLD contained in the Service Provider Manual, Section 7, *Post-Commitment Events*, which states: "According to FCC rules, any party aggrieved by an action taken by USAC or SLD may appeal that decision. That means that Service Providers or applicants may

1. Funding Year: 1999-2000  
Form 471 Application Number: 119672  
Billed Entity Number: 139313  
FRN: 171021
2. Funding Year: 1999-2000  
Form 471 Application Number: 121741  
Billed Entity Number: 139313  
FRN: 175066
3. Funding Year: 2000-2001  
Form 471 Application Number: 160965  
Billed Entity Number: 139313  
FRN: 385823
4. Funding Year: 2000-2001  
Form 471 Application Number: 163210  
Billed Entity Number: 139313  
FRN: 405241
5. Funding Year: 2001-2002  
Form 471 Application Number: 229706  
Billed Entity Number: 139313  
FRN: 594052

**B. Contact Information:** Please direct all inquires regarding this consolidated Appeal to:

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**C. Basis for Appeal**

This Appeal provides clarifying information that corrects erroneous assumptions made by the Schools and Libraries Division ("SLD") when it adjusted and rescinded funding granted to Send and Union Parish for the previously referenced funding years. The SLD made no error in its initial review of Union Parish's Form 470, but there was error in a subsequent review of the application due to insufficient information held by the SLD about Tom Snell ("Snell") and the competitive bidding process undertaken by Union Parish. This appeal will provide information to correct the erroneous assumptions held by the SLD that in listing Snell as the contact person,

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file an appeal. (It would be best not to have both file an appeal, unless it's a consolidated appeal, raising the same issues.)" SLD Service Provider Manual § 7, available at <http://www.sl.universalservice.org/vendor/manual> ("*SP Manual*").

Union Parish's Form 470 contained service provider contact information which violated the intent of the competitive bidding process. Union Parish's Form 470 did not contain service provider contact information. Unlike all of the other *MasterMind*-type cases, Snell is an employee of the applicant, Union Parish; Snell is not an employee or representative of a service provider. In addition, as this appeal will demonstrate, the intent of the competitive bidding process was fully observed and fulfilled in the case of Union Parish.

#### **D. Background**

Union Parish, a school system in Farmerville, Louisiana, participates in the universal service support mechanism for schools and libraries, commonly called the "E-rate program" to obtain funding for basic telecommunications, Internet and Internal Connections services. Pursuant to the SLD's procedures, Union Parish submitted a Form 470 and sought bids for such services beginning in 1998. The contact person listed on the Form 470 was Tom Snell who, at that time, was Technology Systems Administrator for Union Parish. Snell did not sign any Form 470 or Form 471 for the years in question. In 2001, Snell became Superintendent of the school system.<sup>3</sup>

For each funding year, after Union Parish's Form 470 was accepted by the SLD, Union Parish complied with all SLD requirements regarding posting its Form 470 for competitive bids. Union Parish solicited numerous bids from local and national service providers for the school system's Internet services, including LDS, BellSouth, and UUNet Technologies, Inc. Donna Cranford, business manager for the school board, solicited the service quotes.<sup>4</sup> (*Exhibit 10*) Upon receiving inquiries from numerous companies and contract bids from various companies in each funding year, Union Parish evaluated the bids. Because Send's service proposal would cost Union Parish one-fifth to one-half of what the other service providers offered for comparable services, Union Parish chose Send to provide it with Internet services. (Additional detail about other competitive bids is provided throughout this Appeal letter.)

When Union Parish submitted its Form 470, it could not have anticipated that Send would competitively bid for Union Parish's services. Given this, it was impossible for Union Parish to know when it filed its Form 470 that in listing Tom Snell, its own Technology Systems Administrator as the contact person, it would, in retrospect, raise a theoretical question about the fairness of the competitive bidding process. As the Technology Systems Administrator for Union Parish, Snell was the appropriate person to list on its Form 470.

Snell holds a fifteen percent minority ownership interest in Send. Snell is not now, nor has he ever been, an employee of Send, and Snell has never had any managerial authority over Send. Snell is a passive investor in Send, and his ownership interest is substantially below that which could raise a question about a conflict of interest under any applicable law. In fact, Snell's investment in Send and Send's participation in the competitive bidding for Union Parish's services did not violate any local procurement regulations for competitive bidding.

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<sup>3</sup> Immediately following Snell's appointment as Superintendent, and prior to notice of any audit, the district contacted the State Ethics Board for a ruling about the circumstances under which Send could continue to provide services to Union Parish (*Exhibit 6*).

<sup>4</sup> Memorandum from Donna Cranford, Business Manager of Union Parish, to Finance Committee Members (May 11, 1998) ("Cranford Memo").

Nevertheless, out of an abundance of caution, Snell disclosed his passive, minority interest in Send to the appropriate local government officials after initial bids were received and Snell realized that Send was bidding for Union Parish's services. Snell contacted Mr. Mike Lazenby, Superintendent of Union Parish from 1998 – 2001, who in turn contacted Mr. Steve Katz, attorney for Union Parish, and requested legal clarification of Snell's status with respect to any potential conflict of interest under the circumstances. Mr. Katz researched the statute and provided a written opinion to the Superintendent confirming compliance with State Ethics regulations (*Exhibit 7*). Mr. Katz requested and eventually received a written ruling from the State Ethics Board that under Louisiana law no conflict existed.<sup>5</sup> Mr. Lazenby instructed Snell that any proposal or contract negotiations or decisions involving Send would be conducted by the Board or the Superintendent. Upon Lazenby's decision that Send offered the most cost-effective service proposal for Union Parish, the Business Manager for Union Parish provided a disclosure declaration to the Board regarding Snell's investment (*Exhibit 8*). Snell did not negotiate or execute any contract between Union Parish and Send. Superintendent Lazenby continued to personally evaluate proposals and conduct negotiations in each funding year, and Superintendent Lazenby initiated and approved all contracts with Send. Even though there was technically no conflict of interest, Union Parish went to great lengths to assure that any business it conducted with Send was purely at arm's length, and without any influence from Snell, either in reality or in perception.

Years later, upon Snell's appointment as Superintendent in 2001, a challenge regarding Snell's relationship with Send prompted an audit at the state level. The audit concerned whether Snell's minority interest in Send violated local or state procurement requirements. The standard in Louisiana is contained in the Code of Governmental Ethics at LSA R.S. 1102 et seq. at R.S. 111C(2):

No public servant and no legal entity in which the public servant exercises control or owns an interest in excess of twenty-five percent, shall receive any thing of economic value for or in consideration of services rendered, or to be rendered, to or for any person during his public service...

Upon investigation, the Louisiana Board of Ethics confirmed that Snell's investment in Send, and the contract between Send and Union Parish, did not violate any state laws or raise any ethics issues. In a letter to Tom Snell dated January 24, 2002, the Louisiana Board of Ethics held the following:

The Board of Ethics, at its January 16, 2002 meeting, considered an investigation report generated as a result of allegations that you worked for and owned in excess of 25% of a company, Send Technologies, which did business with the Union Parish School Board while you served as an employee of the Union Parish School Board. The investigation report revealed that you owned only 15% of Send Technologies *and that you were not an employee of Send Technologies*. Further, you did not

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<sup>5</sup> Disclosure of all information was made to the district independent auditors in 1998 and each year thereafter. The independent auditors examined all transactions during the years in question and found no evidence of undue influence or a conflict of interest that would warrant exception. After the State audit report, the district independent auditors re-examined events regarding the State audit report and re-affirmed concurrence with their previous opinions of no exception (*Exhibit 9*).

participate in the initial contract between Send Technologies and the Union Parish School Board. . . . Based upon the information obtained, the Board concluded and instructed me to inform you that no violation of the Code of Governmental Ethics was presented by your ownership interest in Send Technologies . . . .<sup>6</sup> (*Exhibit 11*)

On January 31, 2003, the SLD issued five commitment adjustment letters to Send and Union Parish rescinding funds totaling approximately \$309,000 that were allocated to them for Internet Services and Internal Connections in Funding Years 1999, 2000 and 2001. The SLD stated that the commitment adjustments were necessary because Snell is "associated with" Send, a service provider. Given this, the SLD found that the Form 470 contained service provider contact information, which violated the intent of the competitive bidding process for services under the E-rate program. According to the SLD, "a competitive bidding violation occurs when a [service provider] associated with the Form 470 participates in the competitive bidding process as a bidder."<sup>7</sup>

The SLD's review of Union Parish's Form 470 and Send's participation in the bidding process was prompted when the SLD learned of the previously described Louisiana audit that took place years after the competitive bidding for Union Parish's services. As previously discussed, this matter was favorably resolved at the state level and the Louisiana Board of Ethics confirmed that there was no violation of state procurement law. Since the E -rate program relies on state and local procurement processes to ensure competition, this finding is significant. Union Parish and Send complied with all known requirements.

Send urges the SLD to overturn the decisions to rescind funding commitments as detailed in the CALs and respectfully requests the SLD to consider the following:

- The SLD's requirement for competitive bidding was not violated and the intent of the competitive bidding process was fully satisfied;
- Union Parish's Form 470 does not contain service provider contact information and listing Snell as a contact person does not render Union Parish's Form 470 *per se* invalid;

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<sup>6</sup> Letter from Jennifer G. Magness, Louisiana Board of Ethics, to Tom Snell (Jan. 24, 2002) ("Board of Ethics Letter"). The records and documents resulting from the Board of Ethics' investigation, including the Board of Ethics Letter, are confidential under Section 1141 of the Louisiana Code of Governmental Ethics, LSA RS 42:1141E. Accordingly, Send requests that the Board of Ethics Letter and any portion of this appeal quoting it be given confidential treatment and withheld from public disclosure. In the event that any person or entity requests disclosure of the confidential information, Send requests that it be so notified immediately so that it can oppose the request or take other action to safeguard its interests as it deems necessary. After the SLD concludes its review of this case, Send requests the return of the confidential information to counsel within one month. However, in the event the SLD has reason to keep the confidential materials after the conclusion of its review, Send requests that all material be kept under protective seal.

<sup>7</sup> CALs at 4.

- Union Parish held an open and fair competitive bidding process, in perception and in reality; and
- Send did not coerce Union Parish or otherwise interfere with the bidding process, in perception and in reality.

**E. The SLD's Requirement for Competitive Bidding was not Violated and the Intent of the Competitive Bidding Process Was Satisfied.**

The requirement for a competitive bidding process derives from Section 254(h)(1)(B) of the Communications Act, as amended,<sup>8</sup> which provides that discounts under the schools and libraries universal service support mechanism must be given only for services provided in response to bona fide requests for services. Bona fide requests require fiscal responsibility by the applying schools and libraries and contracts with such applicants must be formed through a competitive bidding process. *The competitive bidding process ensures that a school or library seeking support will obtain the most cost-effective services available, thereby lessening the applicant's demand on universal service funds and increasing funds available to other applicants.*<sup>9</sup>

The intent of the competitive bidding process was not violated by Union Parish or Send in any way. The intent of the competitive bidding process, to ensure that Union Parish would obtain the most cost-effective services available, was satisfied in full and was not violated because Snell was listed as the contact person for Union Parish. Union Parish received Internet services at less than half the cost of competitors. Union Parish received Internal Connections services at rates that were a fraction of the costs charged by competitors in neighboring districts. In achieving contracts for the most-cost-effective services available, Union Parish not only benefited itself but also other participants in the E-rate program.

**F. Union Parish's Form 470 Does Not Contain Service Provider Contact Information and Listing Snell As A Contact Person Does Not Render Union Parish's Form 470 Per Se Invalid.**

Over the past several years, a line of Commission cases has developed, starting with *MasterMind Internet Services, Inc. ("MasterMind")*,<sup>10</sup> discussing when the Commission's competitive bidding requirements have been violated.<sup>11</sup> The cases generally hold that where an

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<sup>8</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, codified at 47 U.S.C. §§ 251 *et seq*; see 47 U.S.C. § 254(h)(1)(B).

<sup>9</sup> See *Federal-State Joint Board on Universal Service*, 12 FCC Rcd 8776, 9028-29 (1997) ("*USF Order*").

<sup>10</sup> *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc.*, 16 FCC Rcd 4028 (2000).

<sup>11</sup> *Request for Review of Decisions of the Universal Service Administrator by Dickenson County Public Schools, Clintwood, Virginia*, 17 FCC Rcd 15747 (WCB 2002) ("*Dickenson*"); *Request for Review of Decisions of the Universal Service Administrator by Consorcio de Escuelas y Bibliotecas de Puerto Rico, San Juan, Puerto Rico*, 17 FCC Rcd 13624 (WCB 2002) ("*Consorcio*"); *Request for Review of Decisions of the Universal Service Administrator by College Prep School of America, Lombard, Illinois*, 17 FCC Rcd 1738 (CCB 2002) ("*College Prep*"); *Request for Review of Decisions of the Universal*

FCC Form 470 lists a contact person for the applicant who is an employee or representative of a service provider, the FCC Form 470 is *per se* defective. In the most recent *MasterMind*-type case, *Dickenson*, the Commission interpreted the *MasterMind* precedent as follows:

In *Mastermind Internet Services, Inc.*, the Commission held that, where an FCC Form 470 lists a contact person who is an employee or representative of a service provider, the FCC Form 470 is defective. The Commission observed that the “contact person exerts great influence over an applicant’s competitive bidding process by controlling the dissemination of information regarding the services requested.” On this basis, the Commission found that “when an applicant delegates that power to an entity that also will participate in the bidding process as a prospective service provider, the applicant irreparably impairs its ability to hold a fair and open competitive bidding process.” It concluded that “a violation of the Commission’s competitive bidding requirements has occurred where a service provider that is listed as the contact person on the FCC Form 470 also participates in the competitive bidding process as a bidder.”<sup>12</sup>

There is a critical distinction between the *MasterMind* line of cases and Union Parish’s situation which makes it an error for the SLD to apply the general rule from *MasterMind* to Union Parish’s case. In *MasterMind* and its progeny, the Commission denied the applicants’ requests for funding because in each case an *employee of the service provider* was listed as the contact for the applicant. In this case, however, Snell was an *employee of the applicant*. A service provider was not listed as a contact on Union Parish’s Form 470, rather an employee of Union Parish was listed. In his capacity as Technology Systems Administrator for the school system, Snell was the most appropriate person to be listed as the contact person. Union Parish did not delegate the task of disseminating information regarding the services requested to Send. As previously described, Union Parish took the competitive bidding process seriously and handled all such matters itself.

The facts of the Union Parish case are in stark contrast to the fact pattern contained in the original *MasterMind* case. In *MasterMind*, an employee of the service provider, *MasterMind*, was listed as the contact person and this person prepared and distributed the RFPs to potential bidders. “In so doing, the Applicants surrendered control of the bidding process to an employee of *MasterMind*, a service provider that not only participated in the bidding process, but also was awarded the service contracts.”<sup>13</sup> In Union Parish’s case, neither of these facts are present. Snell was not an employee of Send and Send did not prepare or distribute the bid requests for Union Parish. Union Parish was in charge of all aspects of the competitive bidding process.

*MasterMind* also notes that although price is the main factor in choosing a service provider through the bidding process, the application also should consider other factors if allowed by state and local procurement rules.<sup>14</sup> Here, Union Parish complied with all state and

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*Service Administrator by A.R. Carethers SDA School, Houston, Texas.*, 16 FCC Rcd 6943 (CCB 2001) (“*Carethers*”).

<sup>12</sup> *Dickenson*, 17 FCC Rcd at 15748 (quoting *MasterMind*, 16 FCC Rcd at 4033).

<sup>13</sup> *Mastermind*, 16 FCC Rcd at 4033.

<sup>14</sup> *Id.* at 4030.



local rules, considered all factors allowed under those rules and a ruling from the State Ethics Board confirmed that Snell had no conflict of interest that would violate the local competitive bidding laws. Union Parish also considered price very carefully and chose Send, in large part, because their service proposal was the most cost-effective. Send's initial proposal was one-fifth the cost of the other competitive bid. In fact, Send's proposals for Internal Connections services were less than those awarded to vendors in surrounding districts.

Another distinguishing factor is that unlike *MasterMind*, in which the applicants knew in advance when they prepared the 470 that they were listing an employee of a service provider as the contact, person, there is no way Union Parish could have known at the time it filed its Form 470 that Send could or would decide to competitively bid for Union Parish's services or that listing Tom Snell, Union Parish's Technology Supervisor, as the contact person, would, in retrospect, pose a theoretical threat to the competitive bidding process.

In *Carethers*, the Commission concluded that the person listed as the contact for a number of applicant schools in various states, Charles Scorpio, was an employee of, or affiliated with, the service provider.<sup>15</sup> The Commission opined that Scorpio could not be an employee of the schools because the schools were spread over a number of states. It was never disputed that Scorpio was an employee of the service provider. The Commission stated:

In *MasterMind* . . . the Commission observed that the "contact person exerts great influence over an applicant's competitive bidding process by controlling the dissemination of information regarding the services requested." On this basis, the Commission found that "when an applicant delegates that power to an entity that also will participate in the bidding process as a prospective service provider, the applicant irreparably impairs its ability to hold a fair and open competitive bidding process."<sup>16</sup>

Unlike *Carethers*, Snell was not an employee of a service provider, he was employed by the school system. Union Parish did not delegate the dissemination of information regarding the services it was requesting to Send or any other service provider. Union Parish handled all such responsibilities itself, and other employees of the school system, not Snell, solicited and evaluated bids on Union Parish's behalf. To further protect the integrity of the process, Snell did not participate in the initial or subsequent contracts between Send and Union Parish. Union Parish conducted a fair and open competitive bidding process and, as a result, entered into the most cost-effective contract for services. Union Parish's process was, therefore, wholly consistent with the public interest requirements underlying the competitive bidding process.

In *College Prep*, Douglas LaDuron, the contact person on the applicants' Form 470s, was a representative of a service provider participating in the competitive bidding process.<sup>17</sup> Similarly, in *Dickenson*<sup>18</sup> and *Consortio*,<sup>19</sup> the contact person listed on the applicants' Form 470

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<sup>15</sup> *Carethers*, 16 FCC Rcd at 6948-49. Scorpio had an email address through the service provider, had the same address as the service provider, and the contact person listed for the service provider in the SLD's database was Donna Scorpio.

<sup>16</sup> *Id.* at 6946.

<sup>17</sup> *College Prep*, 17 FCC Rcd at 1745.

<sup>18</sup> *Dickenson*, 17 FCC Rcd at 15748.

was an *employee* of the service provider. In *College Prep*, LaDuron negotiated the contracts with the service providers on behalf of the applicants and was an officer of the service provider. In deciding this case, the Commission reiterated its holding from *MasterMind* “that an applicant violates the Commission’s competitive bidding requirements when it surrenders control of the bidding process to a service provider that participates in that bidding process. Such a surrender occurs when an applicant names a representative of the service provider as contact person on the Form 470.”<sup>20</sup>

In Union Parish’s case, it did not name a representative of a service provider as a contact person on its Form 470 and it did not surrender control of the bidding process to Send in any conceivable way. Even though there was technically no conflict of interest, Snell did not participate in evaluating or negotiating the contracts between Send and Union Parish. This responsibility was handled by the Superintendent of the school system at that time. Union Parish took its responsibilities under the E-rate program seriously, worked to ensure an open, fair competitive bidding process and, consistent with the program rules, selected the most cost-effective provider for the desired services.

#### **G. Union Parish Held an Open and Fair Competitive Bidding Process in Perception and Reality.**

Under the Commission’s and the SLD’s competitive bidding requirements, the applicant must retain control of the bidding process. Union Parish remained at all times in control of the bidding process and did not, in fact, delegate any of its power or responsibilities to Send, or create the appearance that such responsibilities were delegated. The SLD’s current guidelines state that “[i]t is unlikely that the applicant can have a fair and open competitive process if the bids are submitted to and the evaluation is carried out by a representative or employee of a Service Provider who participated in the bidding process.”<sup>21</sup>

A representative or employee of Send did not carry out the evaluation of competitive bids submitted to Union Parish. As the Technology Systems Administrator for Union Parish, Snell would have been the most appropriate person to carry out this task. Even though Snell’s investment in Send was far below the level that would give rise to a conflict of interest, Snell was insulated from the evaluation of bids out of an abundance of caution by Union Parish who wanted to ensure that the competitive bidding process was absolutely fair in reality and in perception. As previously described, the solicitation and evaluation of bids, and the negotiating and contracting for services, was carried out by other employees of Union Parish and not by any service provider.

During the legislative audit involving Send and Union Parish, auditors interviewed dozens of current and former school personnel, Board members, and other parties. Consistent with the actions taken by Union Parish to ensure a fair competitive bidding process, there was no evidence that Snell was involved in the evaluation of bids. The Superintendent never related any personal involvement or influence by Snell or any coercion by Send. The Superintendent

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<sup>19</sup> *Consortio*, 17 FCC Rcd at 13626-27.

<sup>20</sup> *College Prep.*, 17 FCC Rcd at 1744.

<sup>21</sup> *SP Manual* § 5.

expressed only confidence in the general technology plan of the school system and the outcome of their decision process.

During all funding years, Union Parish complied with all SLD requirements for competitive bidding by posting its Form 470 requests for services. Send provided quotations for continuation of Internet services in each year and for Internal Connections services in 1999 and 2000. Union Parish received quotations from various vendors for Internal Connections equipment and received inquiries from MasterMind (Internet services) and Icon Technologies (Internal Connections). Decisions were implemented by Union Parish for purchase of Internal Connections equipment from a variety of vendors. Send was selected to provide continuation of Internet Service in each year and part of the Internal Connections services in 1999 and 2000. Various other vendors were selected by the district to provide Telecommunications and Internal Connections for each year. (*Exhibit 13*) In each case, however, Send only participated as a bidding vendor. Snell was insulated from the process and the decision making. Perhaps the best evidence of the arm's length relationship between Union Parish and Send is reflected in the cost of services provided by Send to Union Parish. Send provided Internet costs in 1998 and 1999 that were one-fifth the cost of the next competitor.

There was no perception among other competitive bidders that because Snell was listed as the contact person on Union Parish's Form 470, that the competitive bidding process would not be carried out in a fair and impartial manner. Snell was an employee of Union Parish, not Send, and no other bidders were aware of his passive, minority interest in Send. The only individuals who knew of Snell's interest were the Superintendent of the school system, the attorney for the school system and the Business Manager, and all of these individuals took steps to ensure the fairness of the process in reality and in perception. Union Parish decided that if Send was chosen as the service provider after all competitive bids were evaluated, then it would disclose Snell's minority ownership interest to the Union Parish School Board. On May 11, 1998 when Send was chosen, Snell's investment was disclosed to the School Board. This disclosure was made out of an abundance of caution even though Snell's interest is substantially below the threshold of ownership interest that could give rise to any ethics concern or any potential violation of state procurement laws for competitive bidding.<sup>22</sup>

#### **H. Send Did Not Coerce Union Parish or Otherwise Interfere with the Bidding Process, in Perception or in Reality.**

The Commission and the SLD have also expressed concern that service providers may coerce applicants or otherwise interfere with the competitive bidding process under the E-rate program, stating that the program is "built on a foundation of state and local procurement laws" and that to coerce or put pressure on an applicant to use a specific service provider would violate those rules.<sup>23</sup> The *SP Manual* provides that:

The E-rate Program relies on state and local procurement processes to ensure competition in the provision of services. In order to participate in the E-rate Program, the Service Provider must comply with all state and local procurement rules and regulations. If the local jurisdiction has

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<sup>22</sup> Cranford Memo; Regular Meeting Minutes of Union Parish (May 11, 1998).

<sup>23</sup> *SP Manual* § 5.

restrictions on who can respond to their bids, for example, the Service Provider must meet those restrictions.<sup>24</sup>

Send cannot be found to have coerced or otherwise interfered with the bidding process undertaken by the school system. The E-rate program relies on state and local procurement processes to ensure competition, and both Union Parish and Send complied with the state and local rules.

Union Parish took all necessary steps to ensure that it complied with the Commission's and SLD's bidding requirements. In order to begin the procurement process for Funding Year 1999-2000, Union Parish submitted its Form 470 in January 1998. At this point, there was little guidance regarding who could and could not be listed as a contact on the Form 470. *MasterMind* was not decided until May 2000. The then current competitive bidding procedures required that applicants participating in the E-rate program follow local and state procurement requirements.<sup>25</sup> As previously discussed, the local and state ethics requirements in Louisiana prevent a company in which a public employee has at least a 25 percent controlling interest to bid on or enter into any contract with the agency at which the public servant is employed.<sup>26</sup> Send, Snell and Union Parish were in full compliance with this law, a fact that was later demonstrated in the Katz letter of 1999 and confirmed by the Louisiana Board of Ethics. Since the E-rate program relies on state and local procurement processes to ensure competition, this point is critical. Based upon the then current competitive bidding guidelines and FCC case law, Union Parish could not have anticipated that listing a person who is their own employee as the contact person would violate the competitive bidding rules, especially in light of the fact that the school system could not foresee that Send would even respond to Union Parish's Form 470.

Although bids may be accepted based upon factors independent of the cost of services, the Commission recommends that cost should be the most relevant factor when an applicant is reviewing bids for services. The theory, presumably, is that if an applicant chooses the lowest cost provider, there is a presumption that their decision was not coerced for other illegitimate reasons but, rather, driven by the bottom line. In 1998, and thereafter, Union Parish judged Send to be the low-cost provider after a complete evaluation of the service offerings and pricing submitted by competitive bid. Quotations for Internet Service in subsequent years never exceeded half the cost presented by the initial 1998 competitive bidder. Internal connections quotes in 1999 and 2000 were received and considered by the Superintendent. Union Parish received a quotation from Mastermind in 1999 and inquiries from Icon Technologies in 1999 and 2000, but their costs were several times greater than the proposal of Send and therefore they were not selected. Union Parish observed three surrounding parishes contracting for Internal Connections services with Icon Technologies, CompStar Plus, and FirstCo, all at significantly

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<sup>24</sup> *Id.* § 4.

<sup>25</sup> See *USF Order*, 12 FCC Rcd at 9079; see also *Federal-State Joint Board on Universal Service*, 15 FCC Rcd 6732, 6733-34 (CCB 1999) (“[E]nabling schools and libraries to post relatively simple requests on a website would provide a minimally burdensome means for them to get competing providers to approach them, so that schools and libraries could then select the best service packages *subject to their state and local rules*.... The school or library must then... ‘carefully consider all bids submitted’ before selecting a provider subject to state or local procurement rules.” (emphasis added)).

<sup>26</sup> La. R.S. 42:1113.

higher cost for less services. These observations further confirm the integrity of the Union Parish competitive bidding process.

There was no perception of coercion in contracting between Union Parish and Send. The Commission reasoned in *MasterMind* that the participation of the contact person listed on the Form 470, if that contact person also represents the service provider, may impact the submission of bids by other prospective bidders, which may undermine the ability of the applicant to obtain the most cost-effective bid. "For example, a prospective bidder may choose not to participate in a competitive bidding process if it believes that the bidding will not be conducted in an open and fair manner, given that another bidder is serving as the contact person."<sup>27</sup> Send, however, did not exert such influence over the bidding process, and there was no perception of such influence. Snell was an employee of Union Parish and he never represented Send during the competitive bidding process. No evidence is present to show that any competitor was even aware of Snell's passive investment in Send. Given all the steps Union Parish took to ensure the fairness of the competitive bidding process, no coercion could have taken place, nor was there any perception of coercion.

## **I. Summary.**

The content of this consolidated Appeal should assist the SLD in reaching the conclusion that it was under erroneous assumptions regarding Snell and Union Parish's competitive bidding process. Union Parish's Form 470 does not contain service provider contact information, and the competitive bidding process undertaken by Union Parish fully satisfied the intent of the SLD in requiring competitive bidding. Union Parish obtained the most cost-effective services available, which is a benefit to all participants in the E-rate program, just as the Commission intended. The fact pattern of Union Parish's case cannot justify a *MasterMind*-type result by the SLD.

Snell is an employee of Union Parish, the applicant. (*Exhibit 12*) Snell is not a service provider or an employee of a service provider, and Snell did not represent the interests of a service provider in the competitive bidding process. Send only participated in the competitive bidding process as a bidder. The dealings of Union Parish with all bidders, including Send, were at arms length. There was no appearance to anyone involved in the process that Send influenced Union Parish's decision making in any way. Union Parish went to great lengths to verify compliance with Federal, State and local policies and regulations and to ensure the fairness of the process, in reality and in perception. Mr. Snell was listed as the technical contact person only to fulfill his capacity as Technology Systems Administrator in the district. Considerable evidence is present to demonstrate the integrity of the competitive bidding process undertaken by Union Parish.

There is no way Union Parish could have known at the time it filed its Form 470 that Send could or would decide to competitively bid for Union Parish's services or that listing Tom Snell, Union Parish's employee, as the contact person, would, in retrospect, pose a theoretical threat to the competitive bidding process. Neither Union Parish nor Send violated Commission directives regarding the competitive process or the intent of the competitive bidding process, in any way. The competitive bidding process by which Send was chosen as a service provider for Union Parish was open and fair and was not, in fact, compromised by listing Snell as the school system's contact person on its Form 470. None of Union Parish's responsibilities to ensure an

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<sup>27</sup> *MasterMind*, 16 FCC Rcd at 4033.

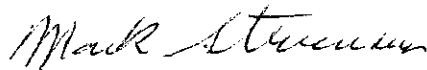
open and fair competitive bidding process and to select the most cost-effective provider of services were surrendered or delegated to Send, or any representative of Send. Send did not exert any influence over Union Parish during the competitive bidding process and, in order not to influence Union Parish's decision making process in any way, Snell's passive investment in Send was disclosed and Snell was insulated from the process.

The critical public interest policies served by the Commission's competitive bidding rules are to ensure that schools and libraries seeking support through the E-rate program obtain the most cost-effective services available, thereby lessening the applicants demands on universal service funds and increasing funds available to other applicants. Through Union Parish's competitive bidding process, there was fair and open competitive bidding for services, and at the end of the bidding process, Send was found to be most cost-effective choice. Thus, the process Union Parish went through to choose Send explicitly met the public policy objectives that underlay the competitive bidding rules.

Mr. Steve Katz, General Counsel for Union Parish School Board, has reviewed this appeal and confirmed the facts as they pertain to Union Parish School Board (*Exhibit 14*).

Send Technologies and Union Parish are therefore requesting that the SLD withdraw the aforementioned CALs and overturn their decisions to rescind funding.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark Stevenson".

Mark Stevenson  
President  
Send Technologies LLC

Attachment: Exhibits 1 - 14

## **EXHIBITS**

Exhibit 1 – 5	Funding Commitment Reports
Exhibit 6	Letter of Steve Katz March 13, 2003; Ethics Report
Exhibit 7	Letter of Steve Katz May 19, 1998
Exhibit 8	Disclosure Letter
Exhibit 9	Board Minutes; Independent Auditor Opinion
Exhibit 10	Original Service Proposals Internet Access 1998
Exhibit 11	Ethics Letter of January 24, 2002; Disqualification Plan
Exhibit 12	Job Description
Exhibit 13	Union Parish Vendor Requests 1998 – 2002
Exhibit 14	Letter of Steve Katz March 28, 2003

## Funding Commitment Report for Application Number: 119672

Funding Request Number: 171021 SPIN: 143010002

Service Provider: Send Technologies, L.L.C.

Contract Number: 4779G

Services Ordered: INTERNET ACCESS

EXHIBIT 1

Site Identifier:

Billing Account Number:

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$23,124.00 ✓

Funds to be Recovered: \$23,124.00

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Tom Snell is associated with Send Technology LLC, a service provider. Tom Snell is also the contact person on the Form 470: 143010002 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.



## Funding Commitment Report for Application Number: 121741

Funding Request Number: 175066 SPIN: 143010002

Service Provider: Send Technologies, L.L.C.

Contract Number: 4789G

Services Ordered: INTERNAL CONNECTNS\_S

EXHIBIT 2

Site Identifier:

Billing Account Number:

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$126,360.00 /

Funds to be Recovered: \$126,360.00

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Tom Snell is associated with Send Technology LLC, a service provider. Tom Snell is also the contact person on the Form 470: 143010002 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

**Funding Commitment Report for Application Number: 160965**

Funding Request Number: 385823 SPIN: 143010002

Service Provider: Send Technologies, L.L.C.

Contract Number: 5770G

Services Ordered: INTERNET ACCESS

EXHIBIT 3

Site Identifier:

Billing Account Number: 318-368-9715

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$63,000.00 ✓

Funds to be Recovered: \$63,000.00

**Funding Commitment Adjustment Explanation:**

After thorough investigation it has been determined that Tom Snell is associated with Send Technology LLC, a service provider. Tom Snell is also the contact person on the Form 470: 143010002 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

## Funding Commitment Report for Application Number: 163210

Funding Request Number: 405241 SPIN: 143010002

Service Provider: Send Technologies, L.L.C.

Contract Number: 5771G

Services Ordered: INTERNAL CONNECTIONS

EXHIBIT 4

Site Identifier:

Billing Account Number: 318-368-9715

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$67,288.40

Funds to be Recovered: \$67,288.40

### Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Tom Snell is associated with Send Technology LLC, a service provider. Tom Snell is also the contact person on the Form 470: 143010002 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

**Funding Commitment Report for Application Number: 229706**

Funding Request Number: 594052 SPIN: 143010002

Service Provider: Send Technologies, L.L.C.

Contract Number: 8132G

EXHIBIT 5

Services Ordered: INTERNET ACCESS

Site Identifier:

Billing Account Number: 318-368-9715

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$29,625.00

Funds to be Recovered: \$29,625.00 ✓

**Funding Commitment Adjustment Explanation:**

After thorough investigation it has been determined that Tom Snell is associated with Send Technology LLC, a service provider. Tom Snell is also the contact person on the Form 470: 143010002 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

309,397.10

LAW OFFICES  
**RANKIN, YELDELL & KATZ**  
A PROFESSIONAL LAW CORPORATION  
411 SOUTH WASHINGTON  
BASTROP, LOUISIANA 71220

JAMES E. YELDELL

ALEX W. RANKIN

STEPHEN J KATZ

TELEPHONE  
BASTROP  
318-281-4913

FAX  
318-281-9819

March 13, 2003

EXHIBIT 6

FORWARDED VIA  
FAX ONLY: 202-418-6957

Mr. Greg Lipscomb  
Federal Communications Commission  
Telecommunications Access Policy Division  
Wireline Competition Bureau  
Room 5-A426, 445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

FORWARDED VIA  
FAX ONLY: 703-653-7419

Mr. Mel Blackwell  
Vice President External Communications  
2120 L Street, N.W. Suite 600  
Washington, D.C. 20037

RE: Union Parish School Board and  
SEND Technologies, L.L.C.

Dear Mr. Lipscomb and Mr. Blackwell:

On behalf of the Union Parish School Board I am submitting to you information which substantiates the compliance by the Union Parish School Board and SEND Technologies with Louisiana Ethical Practices as set forth in the Louisiana Revised Statutes and implemented and enforced by the Louisiana Board of Ethics.

The Louisiana Board of Ethics, as a result of a complaint received by it, conducted an investigation of the legal relationship of SEND Technologies, L.L.C. with the Union Parish School Board. The investigation was first brought to the attention of the Union Parish School Board by letter dated May 22, 2001 from the Louisiana Board of Ethics to Mike Lazenby, the Superintendent of the Union Parish School Board. That letter is attached as Exhibit 1. After the collection of much information by the Louisiana Board of Ethics and the completion of its investigation, it determined that there was no violation of the Louisiana Code of Governmental Ethics. That is confirmed by the letter of January 24, 2002 attached as Exhibit 2 and the letter of February 19, 2002 attached as Exhibit 3. Furthermore, under Louisiana law, the Union Parish School Board is required to undergo an independent audit by a certified public accounting firm on a yearly basis. The firm of Allen, Green & Company, L.L.P. presented its audit report to the Union Parish School

Board for the year ending June 30, 2002 at the meeting of the Union Parish School Board on February 10, 2003. A copy of the minutes of the regular meeting of the Union Parish School Board of February 10, 2003 is also attached. The second paragraph on page 3 of those minutes reflects the report of the auditor.

Accordingly both the Louisiana Board of Ethics and the independent auditor determined there were no violations of law or the Code of Governmental Ethics despite the unfounded complaints that may have been received.

Should you desire any additional information that I can provide, please feel free to contact me.

Sincerely,

RANKIN, YELDELL & KATZ  
(A PROFESSIONAL LAW CORPORATION)

BY: 

Stephen J. Katz

Sjk/mt

encl.

I:\MYRA\KATZ\UPSB\GENERAL\Blackwell.Mel.wpd



STATE OF LOUISIANA  
DEPARTMENT OF STATE CIVIL SERVICE  
**LOUISIANA BOARD OF ETHICS**  
8401 UNITED PLAZA BOULEVARD  
SUITE 200  
BATON ROUGE, LA 70809-7017  
(225) 922-1400  
FAX: (225) 922-1414  
1-800-842-6630  
[www.ethics.state.la.us](http://www.ethics.state.la.us)

**CONFIDENTIAL**

Disclosure of any  
information contained  
herein or in connection  
herewith is a criminal  
misdemeanor pursuant to  
LSA-R.S. 42:1141E(12)-(13)

February 19, 2002

Tom Snell

c/o his attorney

Stephen Katz

411 South Washington

Bastrop, LA 71220

RE: Ethics Board Docket No. 2001-280

Dear Mr. Snell:

The Board of Ethics, at its February 14, 2002 meeting, considered additional information regarding your relationship with Send Technologies which contracts with the Union Parish School Board. The information revealed that partnership income from Send Technologies was erroneously reported by a part-time bookkeeper as wages. However, you did not work for Send Technologies. Based on the information provided, the Board concluded and instructed me to inform you that it declined to reopen the file with respect to that issue.

Further, you submitted a proposed disqualification plan whereby the Union Parish School Board would handle any matters involving the current contract between Send Technologies and the school system. Also, if Send Technologies provides services to the Union Parish School Board in the future, that such services will be provided free of charge. Based on the information submitted, the Board concluded and instructed me to inform you that the file in this matter will be closed once the disqualification plan is submitted to the Board as a public disclosure statement.

If you have any questions, please feel free to contact me.

Sincerely,

LOUISIANA BOARD OF ETHICS

Jennifer G. Magness  
For the Board

EB:JGM

AN EQUAL OPPORTUNITY EMPLOYER



LAW OFFICES  
**RANKIN, YELDELL, HERRING & KATZ**

A PROFESSIONAL LAW CORPORATION  
411 SOUTH WASHINGTON  
BASTROP, LOUISIANA 71220

JAMES E. YELDELL  
ALEX W. RANKIN  
CHARLES E. HERRING, JR.  
STEPHEN J. KATZ  
E. ROSS DOWNS, JR.

TELEPHONE  
BASTROP  
318-281-4913  
MONROE  
318-387-5724  
FAX  
318-281-3819

May 19, 1998

EXHIBIT 7

**FORWARDED VIA  
FIRST CLASS MAIL and  
FAX: 368-3311 (45)**

Mr. Mike Lazenby, Superintendent  
Union Parish School Board  
P.O. Box 308  
Farmerville, LA 71241

Dear Mr. Lazenby:

I have received the information you forwarded to me in regard to "Send Technologies."

The attached copy that was provided to you of LSA - R.S. 42:1113 is not applicable to the situation. Section D.(2) only applies to Section D., legislators. It never applied to Section A. In addition subparagraph (e) of Section D.(2) was repealed by Act No. 1156 of the 1997 legislative session, effective July 15, 1997.

Subsection A. of Section 1113 is applicable and provides in pertinent part:

A. No public servant, ... or member of such public servant's immediately family, or legal entity in which he has a controlling interest shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.

Section 1102 defines the term "controlling interest" in subsection (8) as follows:

Ownership by an individual or his spouse, either individually or collectively, of an interest which exceeds twenty-five percent of any legal entity.

UNION PARISH SCHOOL BOARD  
MAY 20 1998  
RECEIVED



Mr. Lazenby  
Page #2

It appears as if from the information you provided to me that Mr. Snell has a fifteen percent interest in "Send Technologies" and that Ms. Earle has approximately a fifteen percent interest. Neither has a "controlling interest." I have found no specific case law or Attorney General opinion dealing with an issue wherein two public employees have an interest in an entity which is going to do business with a public-body and neither owns twenty-five percent but together they own more than twenty-five percent.

In addition the phrase in Section 1113A. "under the supervision or jurisdiction of the agency of such public servant" would generally mean that the technology issue would have to be under the jurisdiction and control of either Mr. Snell or Ms. Earle. I understand it would probably be under the supervision or jurisdiction of Mr. Snell, but probably not under the jurisdiction or supervision of Ms. Earle.

Based upon the information that I provided above and my understanding of the ownership interests, I believe the Union Parish School Board could enter into the proposed contractual arrangement with "Send Technologies." I also believe it could be appropriate to simply provide the information that Donna suggested in her May 11, 1998 memo so that no one later could claim it was "hidden", but I am not aware of a specific legal requirement for it.

Should you or any members of the Board or your staff have any further questions in regard to the matter please contact me.

With kindest regards, I remain

Very truly yours,

RANKIN, YELDELL, HERRING & KATZ  
(A PROFESSIONAL LAW CORPORATION)

By: 

Stephen J. Katz

SJK\mt

UPSB\GENERAL\LAZENB35.LTR

# **Union Parish School Board**

Post Office Box 308  
Farmerville, Louisiana 71241

Mike Lazenby  
Superintendent

Phone (318) 368-9715  
FAX (318) 368-3311

EXHIBIT 8

TO: FINANCE COMMITTEE MEMBERS

FROM: DONNA CRANFORD, BUSINESS MANAGER

DATE: 5-11-98

RE: INTERNET SERVICES

THE UNION PARISH SCHOOL BOARD HAS BEEN RECEIVING THE PARISH'S INTERNET SERVICES THRU MONROE CITY SCHOOLS. THESE SERVICES HAVE BEEN IN PLACE FOR ABOUT THE LAST 18 MONTHS AND HAVE SERVED OUR SYSTEM WELL. HOWEVER, MONROE CITY SCHOOLS WILL NO LONGER BE ABLE TO PROVIDE THESE SERVICES ONCE THE E-RATE GOES INTO EFFECT.

THIS SITUATION WAS DISCUSSED AT OUR LAST FINANCE COMMITTEE MEETING, AND I WAS ASKED TO REQUEST QUOTES FROM VENDORS THAT COULD SERVE OUR SYSTEM, AND REPORT BACK TO THE COMMITTEE.

WE SOLICITED QUOTES FROM NATIONAL AND LOCAL PROVIDERS, SUCH AS *UUNET*, WHICH IS ONE OF THE LARGEST INTERNET PROVIDERS LOCATED IN DALLAS. ONLY TWO COMPANIES REPLIED WITH A WRITTEN QUOTE, HOWEVER, WE DID RECEIVE SEVERAL CALLS FROM THE COMPANIES THAT WERE CONTACTED. *AS A POINT OF DISCLOSURE*, ONE OF THE BIDS RECEIVED WAS FROM *SEND TECHNOLOGIES, L.L.C.* MR. TOM SNELL AND MRS. BOBBIE EARLE ARE ASSOCIATED WITH *SEND TECHNOLOGIES, L.L.C.* AS MEMBERS OF THE LIMITED LIABILITY COMPANY. A MEMBER OF AN LLC IS AN INDIVIDUAL WHO MAY BE IN THE EMPLOY OF THE COMPANY AND/OR MAY HAVE A SHARE IN FUTURE PROFITS OF THE COMPANY. UNDER THE OPERATING AGREEMENT OF *SEND TECHNOLOGIES* MR. MARK STEVENSON SERVES AS THE MANAGER OF THE LLC AND REPRESENTS THE COMPANY FOR CONTRACTUAL TERMS. THE PROPOSAL TO CONTRACT WITH *SEND* FOR INTERNET SERVICES REPRESENTS SERVICES WHICH ARE NOT IN THE JOB DESCRIPTION OF ANY EMPLOYEE OF UNION PARISH AND WOULD BE CONTRACTED TO AN OUTSIDE FIRM UNDER NORMAL CONDITIONS. THE OTHER QUOTE THAT WAS RECEIVED WAS FROM *LDS* IN MONROE. A COMPARISON OF THE TWO QUOTES IS ATTACHED.

AFTER REVIEWING THE QUOTES, IF *SEND TECHNOLOGIES, L.L.C.* IS ELECTED TO PROVIDE INTERNET SERVICES TO UNION PARISH SCHOOL BOARD, THE ABOVE DISCLOSURE WILL NEED TO BE MADE IN THE BOARD MEETING AND THE AMOUNT OF THE CONTRACT WILL ALSO NEED TO BE STATED. (A COPY OF THE CONTRACT IS ATTACHED)

*"An Equal Opportunity Employer"*

# REGULAR MEETING, UNION PARISH SCHOOL I

February 10, 2003

EXHIBIT 9

The Union Parish School Board met in Regular Session at the Union Parish School Board Office in Farmerville, Louisiana, on February 10, 2003 at 6:00 p.m. All members were present as follows: Mr. Robert C. James, Jr., Mrs. Marcia Harrell, Mr. Michael Holley, Mrs. Barbara Yarbrough, Mr. Howard Allen, Mr. Glyn Nale, Mr. Charlie Albritton, Mr. Ronnie Jones, and Mr. Marcus Watley.

President Allen called the meeting to order and Mr. Nale gave the invocation.

On motion by Mr. Jones, seconded by Mr. Nale, the Board approved the agenda for the February 10, 2003 Board Meeting with the omission of the following item, "Employment of Farmerville High School Football Coach".

On motion by Mr. Holley, seconded by Mrs. Yarbrough, the Board approved the minutes for the January 13, 2003 Board Meeting as printed.

President Allen named the following Union Parish School Board committees for 2003:

Finance Committee -

Howard Allen, Chairman  
Marcia Harrell  
Glyn Nale

Policy Committee -

R. C. James, Jr., Chairman  
Barbara Yarbrough  
Ronnie Jones

Transportation Committee -

Mike Holley, Chairman  
Marcus Watley  
Charlie Albritton

Personnel Committee -

Ronnie Jones, Chairman  
Howard Allen  
Glyn Nale

Buildings and Grounds Committee -

Glyn Nale, Chairman  
Charlie Albritton  
Michael Holley

Academic/Curriculum Committee - Marcia Harrell, Chairman  
Barbara Yarbrough  
R. C. James, Jr.

Henry Hamilton met with the Board to discuss the FINS (Families In Need of Service) Program with the Board. This item was referred to the Finance Committee.

On motion by Mr. Nale, seconded by Mr. Jones, the Board approved an extended sick leave for the following teacher:

1. Glenda Elford - Downsville High School  
Effective: November 11 - December 20, 2002

On motion by Mr. James, seconded by Mrs. Harrell, the Board approved the employment of the following In School Suspension Teacher Aide:

1. Margaret Crawford - Marion High School  
Effective: January 6, 2003

Superintendent Snell reported to the Board on the following School Food Service Manager entering in the Deferred Retirement Option Program:

1. Maxine Skafins - Farmerville Elementary School  
Cafeteria Manager  
Effective: January 21, 2003

A motion was made by Mr. Nale, seconded by Mr. Albritton, for the Board to approve the employment of the following School Food Service worker:

1. Pam Ebarb - Farmerville Elementary School  
Technician 4.5 hours per day  
Effective: January 21 - May 22, 2003

The motion carried.

Superintendent Snell reported to the Board on the following School Food Service worker resignation:

1. Melanie Ramsey - Spearsville High School  
Effective: February 19, 2003

Superintendent Snell reported to the Board on the following Federal Programs Printer/Van Driver entering into the Deferred Retirement Options Program:

1. Charles K. Crow - Central Office  
Effective: February 5, 2003

On motion by Mr. Nale, seconded by Mr. Holley, the Board approved the monthly financial statements.

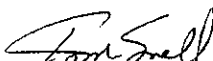
Tim Green, Certified Public Accountant of Allen, Green, and Company, LLP, presented the audit report for the Union Parish School Board for the year ending June 30, 2002. Mr. Green reviewed the audit report and further stated that his firm had reviewed the report of the legislative auditor and management response thereto together with the information from the Ethics Commission regarding SEND Technologies and stated his company was comfortable with its findings and the management response and as a result there were no findings in the audit report in regard thereto and the audit report prepared by his company was an unqualified report and opinion. Mrs. Harrell moved that the audit report as presented by Mr. Green be approved and adopted by the Board. Mr. Jones seconded the motion. The motion passed unanimously.


On motion by Mr. Albritton, seconded by Mr. Holley, the Board granted permission to receive bids on the sale of school buses.

On motion by Mrs. Harrell, seconded by Mr. Jones, the Board granted permission to bid large and small equipment for use in the Union Parish School Food Service Program for 2003-2004.

On motion by Mr. Jones, seconded by Mr. Nale, the Board approved a request from Robert Edwards to transfer the lease on Hooker Hole Lot #45 and sell his improvements.

On motion by Mr. James, seconded by Mr. Watley, the Board having set its next regular Board Meeting for Monday, March 10, 2003 at 6:00 p.m. to be held at the Union Parish School Board Office in Farmerville, Louisiana, adjourned on this the 10<sup>th</sup> day of February, 2003.

  
Tom Snell, Secretary  
Union Parish School Board

  
Howard Allen, President  
Union Parish School Board

**Internet Services Proposals:****LDS**

1. Provides no service on the network server
2. Provides user service only on dial-up accounts
3. Requires an additional equipment cost that must be purchased through them. Total equipment cost \$44,399.00.
4. Requires an additional email charge and email must reside on their server. Total monthly cost for our existing accounts would be \$95.00 with an additional \$1.25 per mailbox per month.
5. Requires additional charge for web service and space over 30mb.
6. Labor costs \$120.00 per hour.
7. Provides no Internet filtering.
8. One time startup cost of \$18,886.95 and Monthly recurring telco costs of \$19,188.24 to be part of the network plus additional charges for Internet. (\$1,200 per month for 1/2 of a T1 and \$300 per month for 56K which totals \$9,600 for our district.)
9. Total Monthly Costs: \$19,188.24 (telco cost) + \$95 (email cost) + \$9,600 (Internet costs) = \$28,883.24/ 11 sites = \$2,625.75 per month per school - less 80% discount = \$ 525.15 per school per month.

**SEND TECHNOLOGIES**

1. Will provide network server support.
2. Will provide remote operating system and network software support for desktop computers.
3. No additional equipment charges.
4. No additional charges for email services.
5. No additional charges for web services.
6. If on-site labor after installation is required, costs will be \$60.00 per hour.
7. Will provide Web filtering at no additional cost.
8. Reprogramming and one time startup costs at no cost to the district with the exception of T1 one time installation costs of approximately \$500.
9. Total Monthly Costs: \$3,158 (Bell telco costs) + \$2350 (Internet costs) = \$5,508/11 sites = \$500.73 per school - less 80% discount = \$100.15 per school per month.